# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:3874
ANSWERED ON:17.08.2001
AMENDMENT TO INSURANCE ACT, 1938
JAI PRAKASH

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government propose to amend the Insurance Act, 1938 to tackle the challenges which have arisen before the public sector insurance companies in the wake of entry of private sector in the insurance field;

(b) if so, the time by which the Government propose to declare its decision in this regard;

(c) if not, the reasons therefor?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

(a to c) : Government proposes to amend the Insurance Act, 1938 for the smooth functioning of the opened up insurance sector. It is proposed to introduce Insurance (Amendment) Bill, 2001 in the current Session of Parliament, which would inter alia contain provisions relating to entry of co-operatives into insurance sector, provision for payment of commission fee for insurance intermediaries, allowing flexibility in the eligibility qualification for corporate agents, allowing a more flexible mode of payment of premium through credit cards, smart cards, internet etc. and some consequential amendments. Simultaneously, the public sector insurance companies are taking several measures to strengthen their position in the market.